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CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP					
TO	NAME AND ADDRESS	DATE	INITIALS		
1	Deputy Director (Support)	23 JUL	W		
2	[REDACTED] - 7/23	9 AUG 1962			
3	Comptroller	8/10/62	JRB		
4					
5					
6	DDCI				
ACTION		DIRECT REPLY		PREPARE REPLY	
APPROVAL		DISPATCH		RECOMMENDATION	
COMMENT		FILE		RETURN	
CONCURRENCE		INFORMATION		SIGNATURE	
Remarks: Do you have any further comment on the Comptroller's rebuttal to our questions raised in attached 28 June note from me to him? <i>No.</i> [REDACTED] 25X1A					
FOLD HERE TO RETURN TO SENDER FROM: NAME, ADDRESS AND PHONE NO. DATE [REDACTED], Exec Asst to DDCI 7/13/62					
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3 JUL 1962

MEMORANDUM FOR: Deputy Director of Central Intelligence

SUBJECT : Reorganization of the Office of the Comptroller

REFERENCES : a. Memo dtd 4 May 62 to DDCI fr Compt, same subject
b. Memo dtd 8 Jun 62 to DDCI fr DD/S, same subject

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1. The first problem here is whether it is desirable to give Mr. [REDACTED] the title of "Assistant Comptroller for the DD/P".

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2. Under its new terms of reference, the Office of the Comptroller has been asked to try, through program analysis, to establish a basis for the exercise of an independent judgment concerning the value of the activities of various components of the Agency. This process, which will never be easy, was rendered essentially impossible in the past due to the almost complete lack of continuing communication between the Clandestine Services and the Comptroller's Office as regards the plans, current activities and financial decisions of the DD/P. On taking over the Comptroller's Office, it seemed to me that this lack of communication could only be cured by some arrangement which made the principal fiscal agent and advisor of the DD/P, Mr. [REDACTED], responsive to the Comptroller as well as to the DD/P. It seemed to me equally important to have Mr. [REDACTED] and his very experienced staff continue to support the very legitimate needs and requirements of the DD/P. My concern was only with insuring that the Comptroller should have easy, immediate, and uninhibited access to information available in Mr. [REDACTED] office and that Mr. [REDACTED] should be responsive to direction from the Comptroller's Office as regards essentially technical matters concerning financial procedures, budgetary requirements, etc.

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3. One way to accomplish this result, which occurred to me, was to give Mr. [REDACTED] the title of "Assistant Comptroller for the DD/P", thereby giving him some optical identification with the Comptroller's Office. It serves in effect as notice that both the DD/P and the Comptroller have an interest in Mr. [REDACTED]. In discussing this proposal with Mr. Helms it was agreed that the DD/P would write Mr. [REDACTED] fitness report; that Mr. [REDACTED] would receive technical direction from the Comptroller's Office and any disagreement which developed as to how he spent his time or what he did first would be resolved jointly.

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4. The advantage of this arrangement is that it obviates the necessity of lengthy terms of reference to try to define what is in any event a somewhat ambivalent arrangement. The fact of the matter is that, under any agreement imaginable, Mr. [REDACTED]'s loyalties will be somewhat divided. This could be embarrassing but, as far as I can see, is inevitable. I agree with Col. White's opinion that the arrangement and the title are somewhat confusing although I do not agree that the title is misleading. Our objective, obviously, must be to reduce the confusion to a minimum.

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5. The situation, as a practical matter, is working extremely well, without any change in title at all and will, I believe, continue to do so for the indefinite future. It cannot therefore be argued that the change in title is essential and if it is seriously objectionable to any senior official or component, the problem of Mr. [REDACTED]'s terms of reference can be resolved by a statement issued by the Deputy Director.

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6. Reference a. also asks for four additional positions (two of them officers and two clerical) to support the Comptroller's responsibilities for program analysis and evaluation. Col. White's statement that these positions will have to be absorbed in the final allocations approved by the Director is eminently reasonable. Quite obviously, the requirements of the Comptroller's area must be judged in the perspective of competing requirements, equally legitimate, from all other areas.

7. In the past, for historical reasons, the Comptroller's Office has not concerned itself much with substantive evaluation and therefore has few individuals qualified to undertake this responsibility. We now have on board [REDACTED] formerly of the FI Staff. With his support we are making as strong an effort as we can to develop a basis for program analysis. This does, however, involve a great deal of [REDACTED] time, as well as my own, in addition to that of the Chief and other personnel of the Budget Division. There is some danger that preoccupation with program analysis may divert our attention from and impair our ability to handle other aspects of the Comptroller's responsibility. What concerns me almost more than the inadequacy of our competence to undertake effective program analysis is the possibility that we may be inadequately staffed to discharge the essential fiscal and accounting responsibilities which have been very admirably discharged by the Comptroller's Office in the past.

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8. Since 1955 there has been no increase in the strength of the various components of the Comptroller's Office concerned with fiscal

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management and general accounting, etc. During that period of time the amounts obligated by the Agency have increased from approximately [REDACTED] 25X1A1a [REDACTED] to something substantially in excess of [REDACTED] A large 25X1A1a percentage of these obligations represent transactions certified by the Director (currently the Deputy Director) as expended for confidential purposes. It is obviously essential to maintain the accounting and fiscal staff necessary to provide adequate supervision and control over expenditures of this volume and importance. The size of the various components in the Comptroller's area will, therefore, have to be finally judged on the basis of this responsibility as well as in connection with its functions in the program analysis field.

9. We are currently examining ways of simplifying procedures and hope to reduce our personnel requirements. One reorganization which would result in definite personnel savings, requires as a practical matter, accommodation of some additional elements in the new building, which does not exist. We are examining other possibilities but will probably end up with a need for some additional people.

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[REDACTED]
JOHN A. BROSS
Comptroller

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